

May 7, 1982

This is in response to your letter of April 27, 1982, in which you ask whether or not the following transaction constitutes a change in ownership:

The property was owned by a corporation formed in 1962. In about 1979 it was converted to a partnership without any change in ownership interest, there being seven owners.

You ask if the following would cause a reappraisal of the property owned by the partnership:

1. Change in name of the partnership.
2. Increase the size of the management committee.
3. One or more of the partners wish to gift and/or sell a portion of their interest to their children. The partners making the gifts will remain in the partnership. No partner either before or after making the pending transaction will own a majority interest.

1. Merely changing the name of a partnership does not constitute a change of ownership under Proposition 13.

2. Merely increasing the size of the management committee of the partnership also does not constitute a change in ownership under Proposition 13.

3. Assuming the partnership is a continuing partnership, no change in ownership will have occurred under Section 64(c) of the Revenue and Taxation Code based on the fact that no one person will obtain a majority ownership

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interest in the partnership. In addition Section 64(d) would not appear to cause a change in ownership, since we understand that the original co-owners, i.e., the seven original partners, will not, by these gifts, have transferred cumulatively more than 50 percent of their combined interest in the partnership.

Very truly yours,

Glenn L. Rigby  
Assistant Chief Counsel

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